Governor's Forest Products Summit

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Governor Rick Snyder

Governor Rick Snyder kicked off the day's events, reminding attendees that the summit was only the beginning of the process to grow the industry. He added that Michigan is currently in the era of innovation, and that it's up to each of us to make the most of the results of this era in terms of natural resources and quality of life.

Governor Snyder also encouraged the group to take a strategic and collaborative approach to reinvention. He highlighted three questions that he said needed to be addressed, not just for the summit, but in the longer term:

- What are the export opportunities?
- What value-added processes are the best?
- What research and development are we doing?

Snyder added that after the summit, it's the attendees' responsibility for coming up with the plan, action, timeline and deliverables for the future of the state's forest products industry.

Dr. Ted Bilek, U.S. Forest Service Products Lab

Dr. Ted Bilek addressed the global view of the U.S. forest products industry, giving attendees a national forest economy perspective. His data and information showed some promise for the forest products industry and also demonstrated its relationship to the national housing market. <u>Click here for his full presentation</u>.

Dr. Larry Leefers, Michigan State University

Dr. Larry Leefers, forest economist, discussed the state of Michigan's forest products industry, including its strengths, weaknesses and areas of opportunities. His presentation can be seen here.

Allan Wieman, GE Capital Corporate Financial Services

Allan Wieman discussed forest investment and important factors in attracting investment. <u>His full presentation can be seen here</u>.

Panel of Michigan Forest Products Industry Representatives

Panel representatives from throughout the industry talked about their professional experiences, challenges and concerns for the future of the industry. Those representatives were:

• Margaret Minerick, Minerick Logging/Sagola Hardwoods Margaret Minerick's complete comments can be read here.

Steve Walsh, Traxys Power Group

Steve Walsh discussed power generation from biomass at its L'Anse, Mich., power generation plant. They have 50 direct employees and between 20 and 25 indirect. Walsh stressed that biomass is relevant and suggested the state looks more toward biomass energy generation and geothermal. Walsh stressed industry and government cooperation, and emphasized that point by stating: "If you are not at the table, you are on the menu."

Mike Sussman, Verso Energy Strategy

Mike Sussman discussed the biomass generation plant installed at its Quinnesec, Mich., paper plant. The biomass plant was a valuable addition, increasing efficiency and making it more competitive both inside and outside the company. Sussman emphasized that existing businesses have to find ways to improve their competitive standing by partnering and working cooperatively with other local entities near their site. He and Verso are focused on being creative and innovative while developing non-traditional relationships.

• Pete Madden, Plum Creek

Pete Madden discussed the pellet industry and discussed why the U.S. is well positioned to capitalize on that worldwide market. His presentation can be seen here.

Panel of State Government Agencies

A panel of state government agency leaders discussed the tools, services and support available to the industry. The group also highlighted the importance of collaboration, not only with those in the room but also within their respective agencies.

Jamie Clover Adams, Director, Michigan Department of Agriculture & Rural Development (MDARD)

Jamie Clover Adams discussed MDARD's role in advancing rural economic development. Her presentation can be viewed here.

Mike Finney, CEO, Michigan Economic Development Corporation (MEDC)

Mike Finney discussed the role of the MEDC and its objective of creating more and better jobs. He outlined some new MEDC initiatives and a position that will focus on attracting additional investment in Michigan's forest products industry. He explained some of what MEDC emphasizes:

- o A focus on business development and business investment, including partnerships.
- o Community vitality. If Michigan doesn't have vibrant communities, the state will lose its young people from both urban and rural areas.
- Providing access to talent by pushing the MITalent.org jobs website and the Michigan Shifting Gears career-transition program.
- Branding (Pure Michigan campaign) and extending the success of that into the business community.

Keith Creagh, Director, Department of Natural Resources (DNR)

Keith Creagh pointed out that change in the air. He said there is willingness in state government to build collaboration and successful public-private partnerships. He noted that there is excellent alignment among state government, especially in the Quality of Life group that includes the DNR, the DEQ and MDARD. Creagh talked about the need to impact the demand side of forest products and challenged the group to use the summit as a foundation. He committed the MDNR to lead in the statewide forestry conversation and to be a "front door" to robust solutions.

Dan Wyant, Director, Department of Environmental Quality (DEQ) and leader of the Quality of Life (QOL) departments

Dan Wyant talked about how Michigan can move forward, in part, because of the high quality of life Michigan can provide for its residents. He echoed some of Keith Creagh's remarks about alignment and this being a unique opportunity to improve certain segments of Michigan's economy. He challenged those in the room to build relationships and

partnerships so the forest products industry could be one of those emerging economies. He committed the QOL group to be true partners with the forest products industry. Wyant also discussed wetlands protections and outlined it as a win-win for the environment and the industry. He closed with the Governor's theme of economic gardening, explaining that it is vitally important to take care of the existing forest products industries that are already working in Michigan.

Breakout Sessions and Next Steps

Summit participants were split into breakout groups and were charged with identifying the top priorities the industry needs to focus on in order to grow. Bill O'Neill, chief of the DNR's Forest Resources Division, presented the findings when the groups reconvened and reminded them that in order to be successful, the discussions must continue after the participants left the summit. A full report from the breakout session work groups can be read here.